

# **FISCAL NOTE**

## **HB 939 - SB 1014**

March 1, 2005

**SUMMARY OF BILL:** Increases the motor fuel tax from seventeen cents (\$0.17) per gallon (diesel fuel) to seventeen and one-half cents (\$0.175) per gallon. Revenue generated from the one-half cent increase, and any derived investment income, shall be deposited into the general fund and earmarked for pre-kindergarten educational purposes.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Revenues - \$5,200,000/Earmarked for pre-kindergarten educational purposes**

Assumptions:

- FY06 budget estimate for motor fuel tax collections is \$176.7 million.
- Diesel fuel consumption estimated at 1.0394 billion gallons (\$176.7 million / \$0.17 = 1.0394 billion gallons).
- Enactment of this bill would result in motor fuel tax collections of approximately \$181.9 million (1.0394 billion gallons X \$0.175 per gallon motor fuel tax = \$181.9 million).
- Estimated increase in state revenues is \$5.2 million (\$181.9 million - \$176.7 million = \$5.2 million).

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director